



UPDATE ON ILLUSTRATIVE IMPLEMENTATION AND FUNDING

September 25, 2008

Transit Planning Board

Overview

- ❑ Illustrative Programming Assumptions
- ❑ Illustrative Financial Assumptions
- ❑ Illustrative Cash Flow
- ❑ Illustration of Cost of Time
- ❑ Anticipated Revenue Scenarios
- ❑ Potential Funding and Financing Opportunities

Illustrative Programming Assumptions (1)

- ❑ Full System Complete and in Operation by end of 2030
- ❑ A new funding stream allowing construction planning begins January 1, 2011
- ❑ Projects in the current Transportation Improvement Plan (TIP) consistent with Concept 3 remain as programmed
- ❑ An initial Fast Tracks Early Action Plan to deliver several projects in multiple corridors by 2015
- ❑ A region-wide program (something for everyone)
- ❑ A realistic and implementable plan

Illustrative Programming Assumptions (2)

- ❑ For the Fast Tracks Early Action Plan, a corollary set of global assumptions was also developed. These are:
 - ❑ Regional ability to deliver projects – 5-7 major rail projects
 - ❑ Implement ability (no river crossing, etc)
 - ❑ A region-wide program
 - ❑ Major rail capital investments tied to reasonable results from Travel Demand Model

Preliminary Cost Escalation Rate Assumptions

- ❑ Reflects TPB/MARTA Implementation Plan
- ❑ O&M Costs: 4% Increase Per Year
- ❑ Capital Costs: 4% Increase Per Year
- ❑ Cost Curves for Implementation Plan

* Year 1 represents start of Implementation Process

Cost Curves Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
2 Year Implementation	50%	50%							
3 Year Implementation	10%	60%	30%						
4 Year Implementation	10%	25%	50%	15%					
5 Year Implementation	5%	15%	40%	30%	10%				
6 Year Implementation	2%	5%	25%	40%	20%	8%			
7 Year Implementation	2%	5%	15%	20%	30%	20%	8%		
8 Year Implementation	2%	5%	10%	20%	25%	20%	10%	8%	
9 Year Implementation	1%	3%	8%	20%	25%	20%	10%	8%	5%

Preliminary Capital Revenue Assumptions

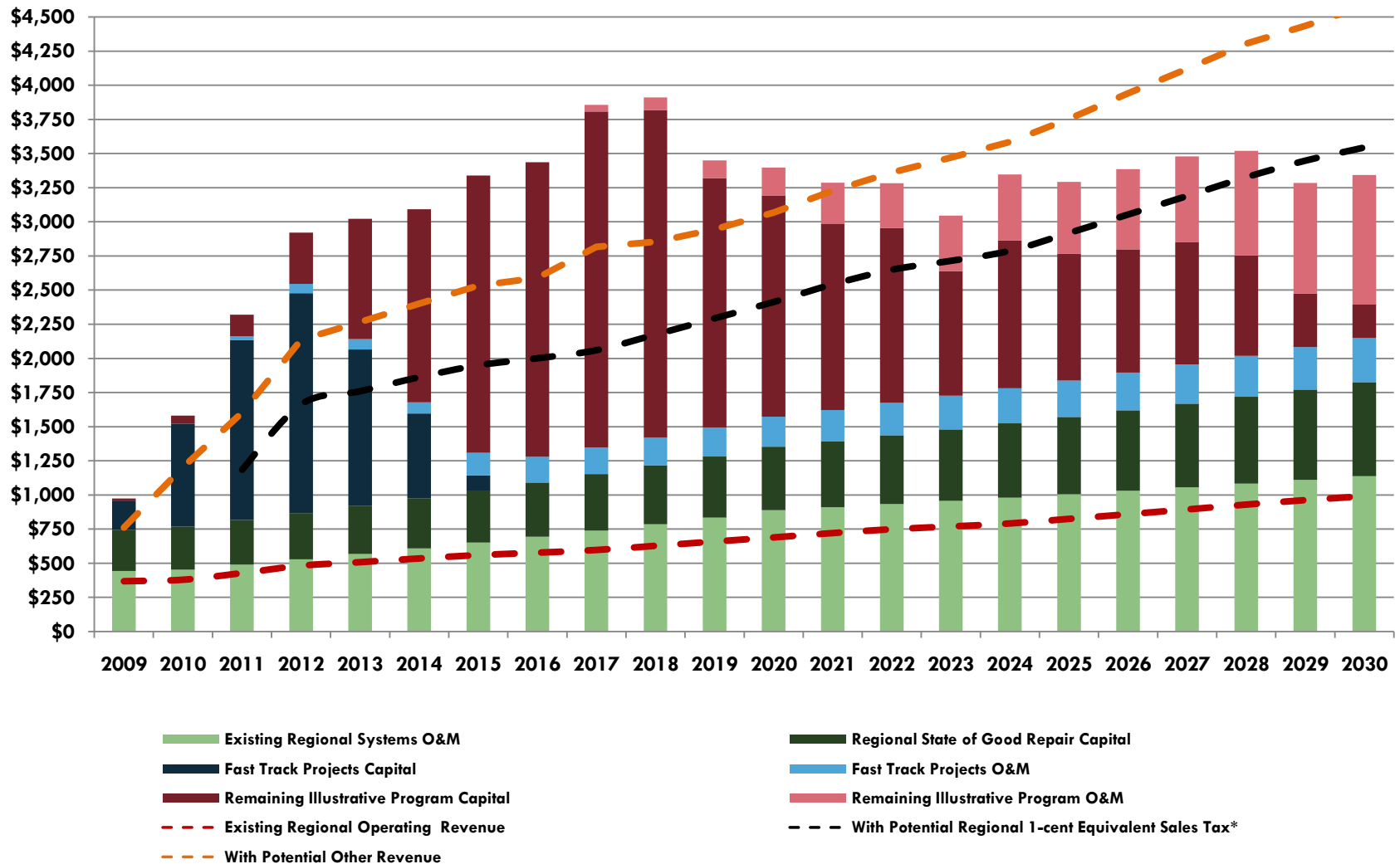
- ❑ Existing Capital Funds
 - ❑ MARTA's existing sales tax (50%)
 - ❑ MARTA's estimate for region's FTA Section 5309, CMAQ and STP funds
 - ❑ TIP Programmed Funds for Fast Track projects in 2009 and 2010
- ❑ Potential New Sales Tax
 - ❑ Full-cent sales tax (or equivalent) in existing MARTA Counties plus remaining 12 regional counties
 - ❑ 50% for capital
- ❑ Other Capital Funding Assumed
 - ❑ Federal Discretionary Funds
 - 20% share of State of Good Repair costs
 - ❑ State Funding
 - 1% share of State of Good Repair costs
 - 10% share of commuter rail, regional rail, and suburban bus capital costs
 - ❑ Net Operating Revenue
 - If operating revenues exceed costs, net revenues assumed to be available for capital costs and debt service

Preliminary Operating Revenue Assumptions

- ❑ Existing O&M Revenue Sources
 - ❑ MARTA Sales Tax (50%)
 - ❑ Fare Revenue (MARTA and other regional transit systems)
 - ❑ Region's FTA Section 5307
 - ❑ Lease Income
 - ❑ Transit Oriented Development Income
 - ❑ Interest on Capital Reserve
 - ❑ Lease to Service
- ❑ Potential New Sales Tax
 - ❑ Full-cent sales tax (or equivalent) in existing MARTA Counties plus remaining 12 regional counties
 - ❑ 50% for Operating
- ❑ Other Potential Operating Revenue
 - ❑ MARTA's estimate for FTA Section 5307 funds for the region
 - ❑ 25% fare box recovery for Illustrative Program

Estimated Annual Costs for Combined Existing Transit Systems & Illustrative Program

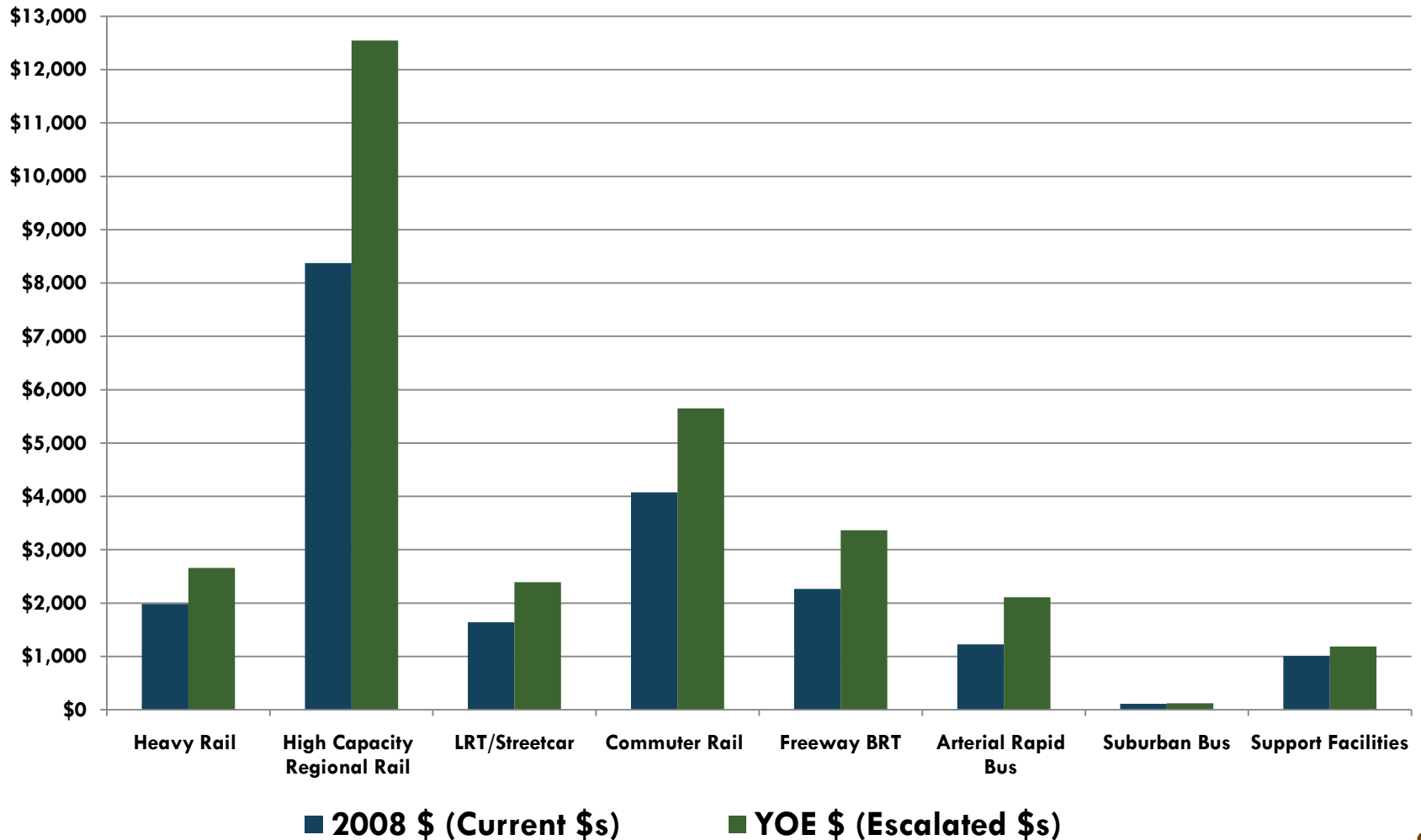
(YOE Dollars, in millions)



* Assumes revenue from Potential Regional 1-cent Equivalent Sales Tax is split 50% for capital costs and 50% for operating costs

Cost of Time (1):

Illustrative Program Total Capital Costs (in millions)



Cost of Time (2):

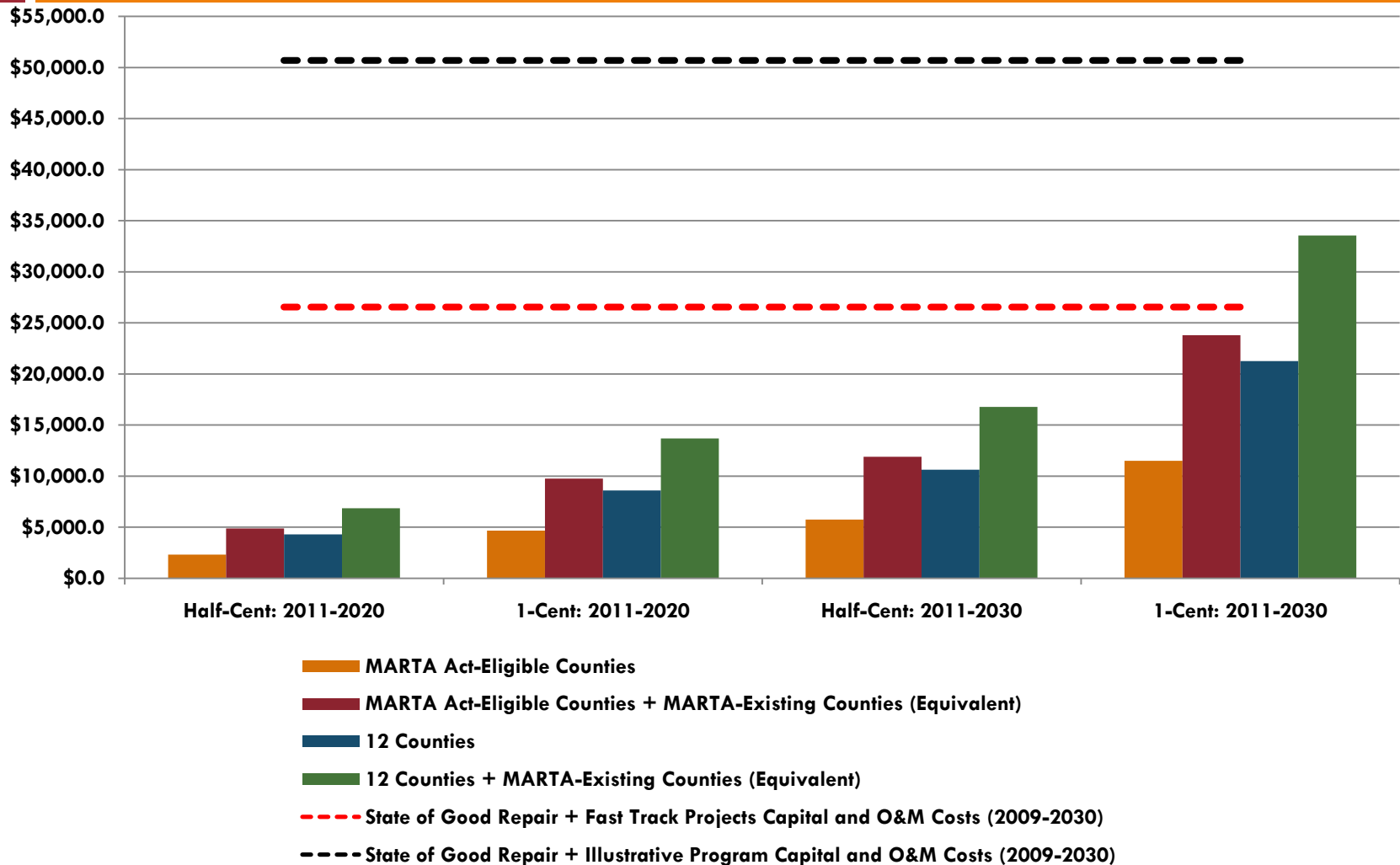
Illustrative Program Total Capital Costs (in millions)

Total Illustrative Program	2008 \$ (Current)	YOE \$ (Escalated)	Difference
Heavy Rail	\$1,985.0	\$2,658.1	\$637.1
High Capacity Regional Rail	\$8,376.0	\$12,545.2	\$4,169.2
LRT/Streetcar	\$1,637.5	\$2,389.2	\$751.7
Commuter Rail	\$4,074.6	\$5,647.8	\$1,573.2
Freeway BRT	\$2,263.0	\$3,363.6	\$1,100.6
Arterial Rapid Bus	\$1,225.1	\$2,110.9	\$885.8
Suburban Bus	\$110.0	\$119.0	\$9.0
Support Facilities	\$1,010.0	\$1,186.7	\$176.7
Total Capital Costs	\$20,681.2	\$30,020.6	\$9,339.4

Regional Sales Tax (or Equivalent) Potential Scenarios to be Examined

- Rate
 - ▣ Half-cent
 - ▣ Full-cent (or Equivalent)
- Length
 - ▣ 10 years
 - ▣ 20 years
- Geography
 - ▣ MARTA Act-Eligible Counties (Clayton, Cobb, Gwinnett)
 - ▣ MARTA Act-Eligible Counties + MARTA-Tax Equivalent (additional revenue equivalent to Fulton and DeKalb)
 - ▣ Regional: 12 Counties (no new revenues from Fulton and DeKalb – i.e., MARTA tax absorbed into regional, with no equivalent)
 - ▣ Regional: 12 Counties + MARTA-Equivalent (equivalent revenue source equal to sales tax revenue in Fulton and DeKalb)

Regional Sales Tax Scenarios (YOE \$, in millions)



Note: Costs do not include debt service payments

Potential Funding and Financing Opportunities

- FTA New Starts (results in longer project development period with associated increases in construction costs)
 - ▣ Identify key projects or program of projects
 - ▣ Target for New Starts share
 - 50% for key projects
 - 20% for program of projects
- Debt Finance
 - ▣ Allows for accelerated program implementation
 - ▣ Costs paid for over an extended period of time
 - Example: UTA FrontLines 2015 Program

Potential Funding and Financing Opportunities

- ❑ UTA FrontLines 2015 Program
 - ❑ Plan to accelerate implementation of \$2.5 billion 5 - corridor program
 - Extension of 4 LRT lines
 - Extension of commuter rail line
 - ❑ Memorandum of Understanding (MOU) with FTA
 - UTA uses 100% local funds on 3 corridors
 - FTA provides 80% federal funding on 2 corridors
 - FTA provides 20% federal for 5 - corridor program
 - ❑ Debt financing key component of local funding strategy
 - ❑ Local sales tax measures dedicated to transit have no sunset

Potential Funding and Financing Opportunities

□ Public-Private-Partnerships

- To date in transit projects, used primarily as a project implementation technique to get projects built quicker (Design-Build)
- FTA's Penta-P Program: streamline project delivery and private sector investment
 - Denver RTD: East and Gold Line Corridors
 - Oakland Airport Connector
 - Houston North and Southeast Corridors

Potential Funding and Financing Opportunities

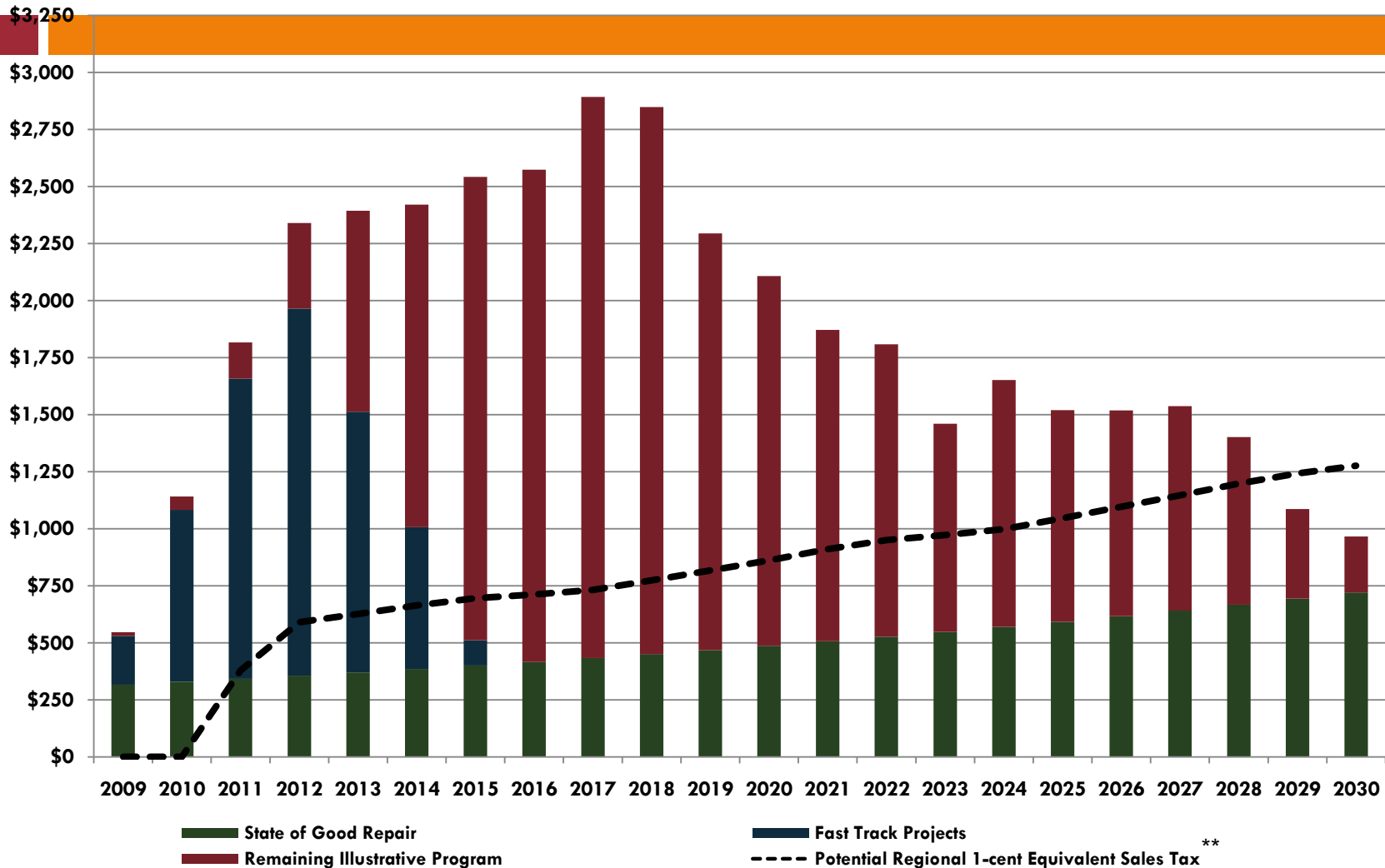
- RTD Denver EAGLE P3 Program
 - Will issue contract for Design-Build-Finance-Operate-maintain for two commuter rail corridors
 - Requesting upfront financing from a private concessionaire of over \$500 million
 - RTD will pay concessionaire back over 50 years using sales tax revenues
 - No sunset on sales tax allows agency the ability to enter into this type of agreement
 - Agreement with private partners will allow RTD to spread out large upfront costs and preserve cash in early years

Thank You Questions?

Estimated Annual Capital Costs

State of Good Repair* & Illustrative Program

(YOE Dollars, in millions)



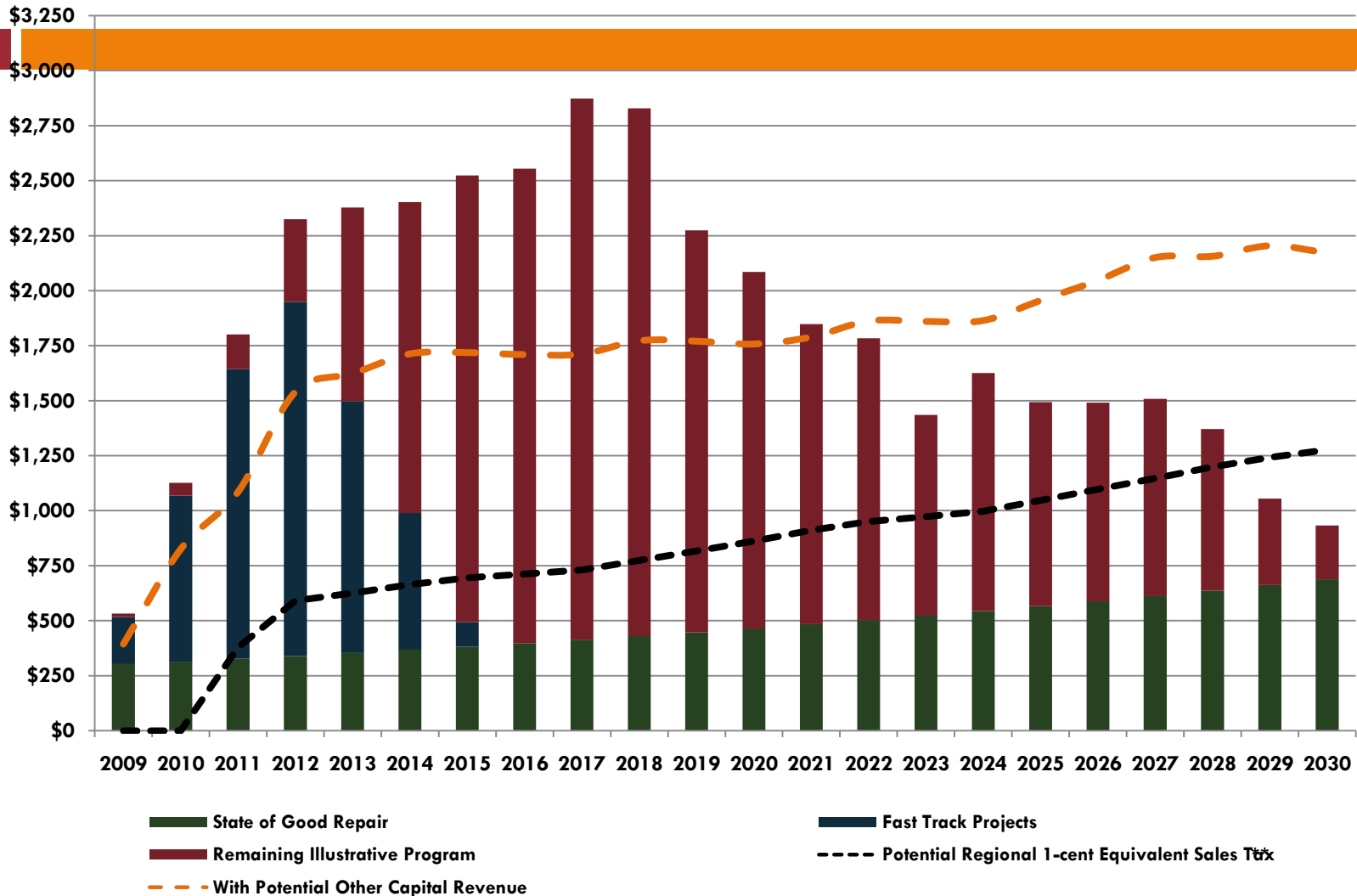
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State of Good Repair* & Illustrative Program

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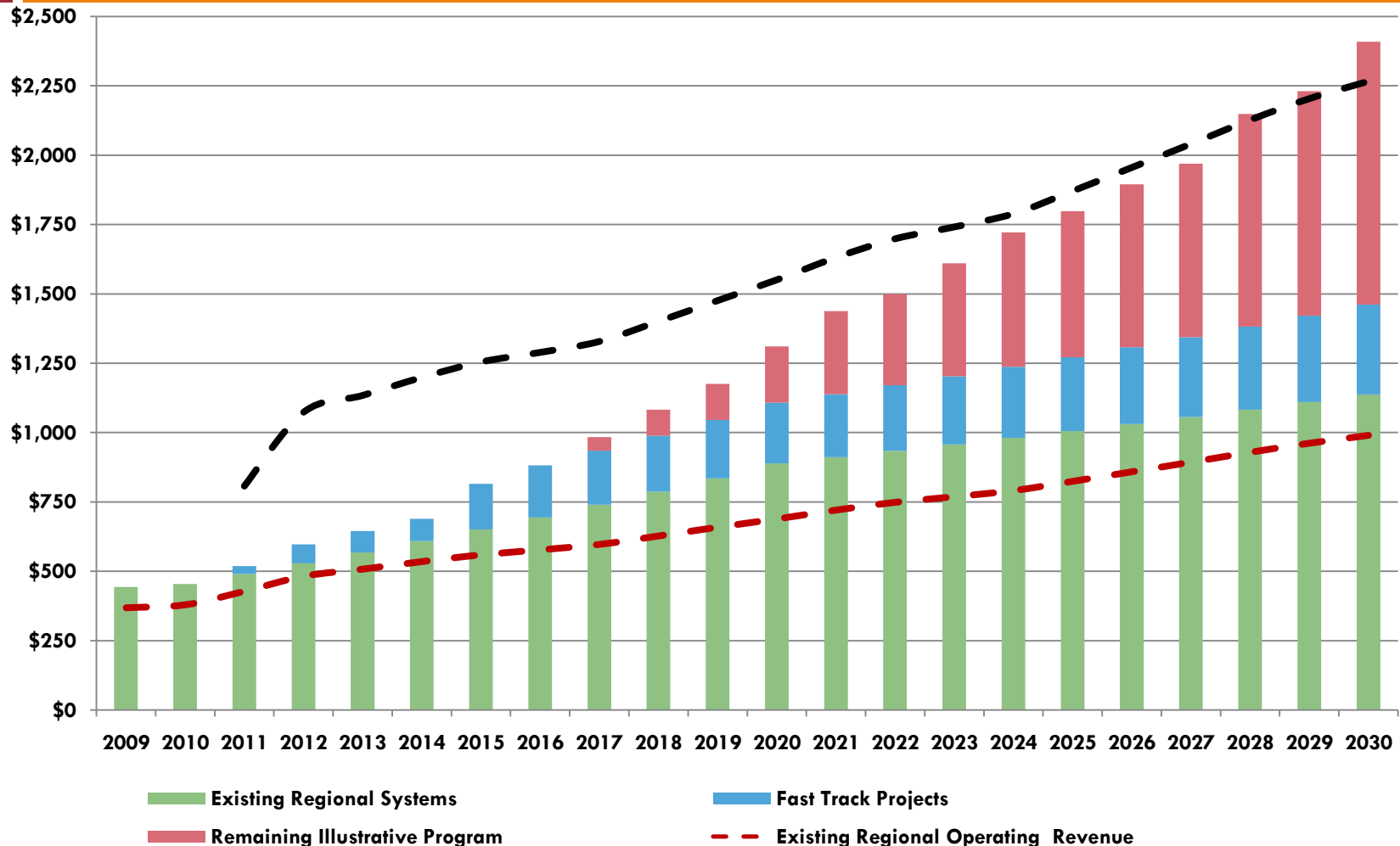
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Estimated Annual O&M Costs

Existing Regional Systems & Illustrative Program

(YOE Dollars, in millions)

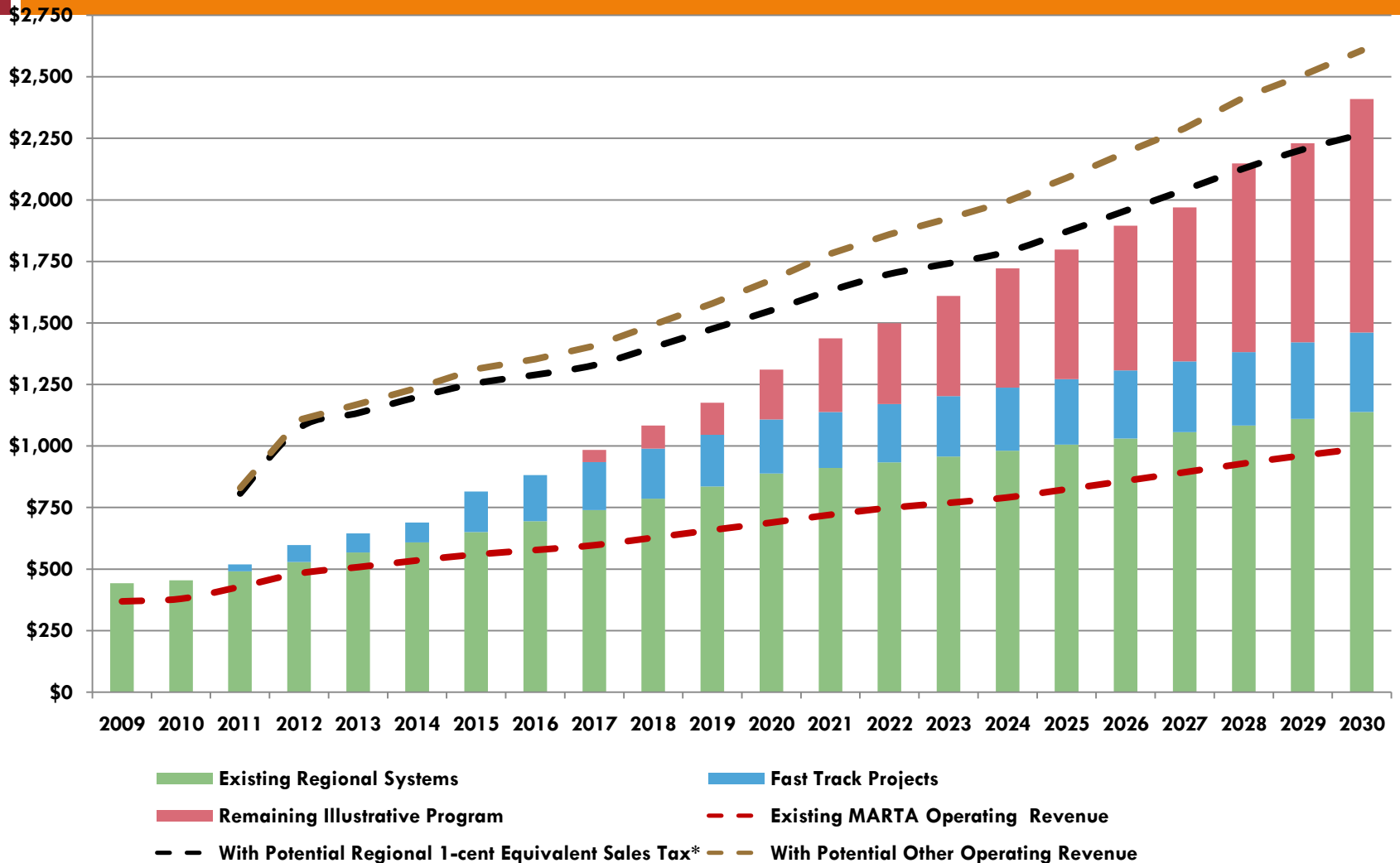


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Estimated Annual O&M Costs

Existing Regional Systems & Illustrative Program

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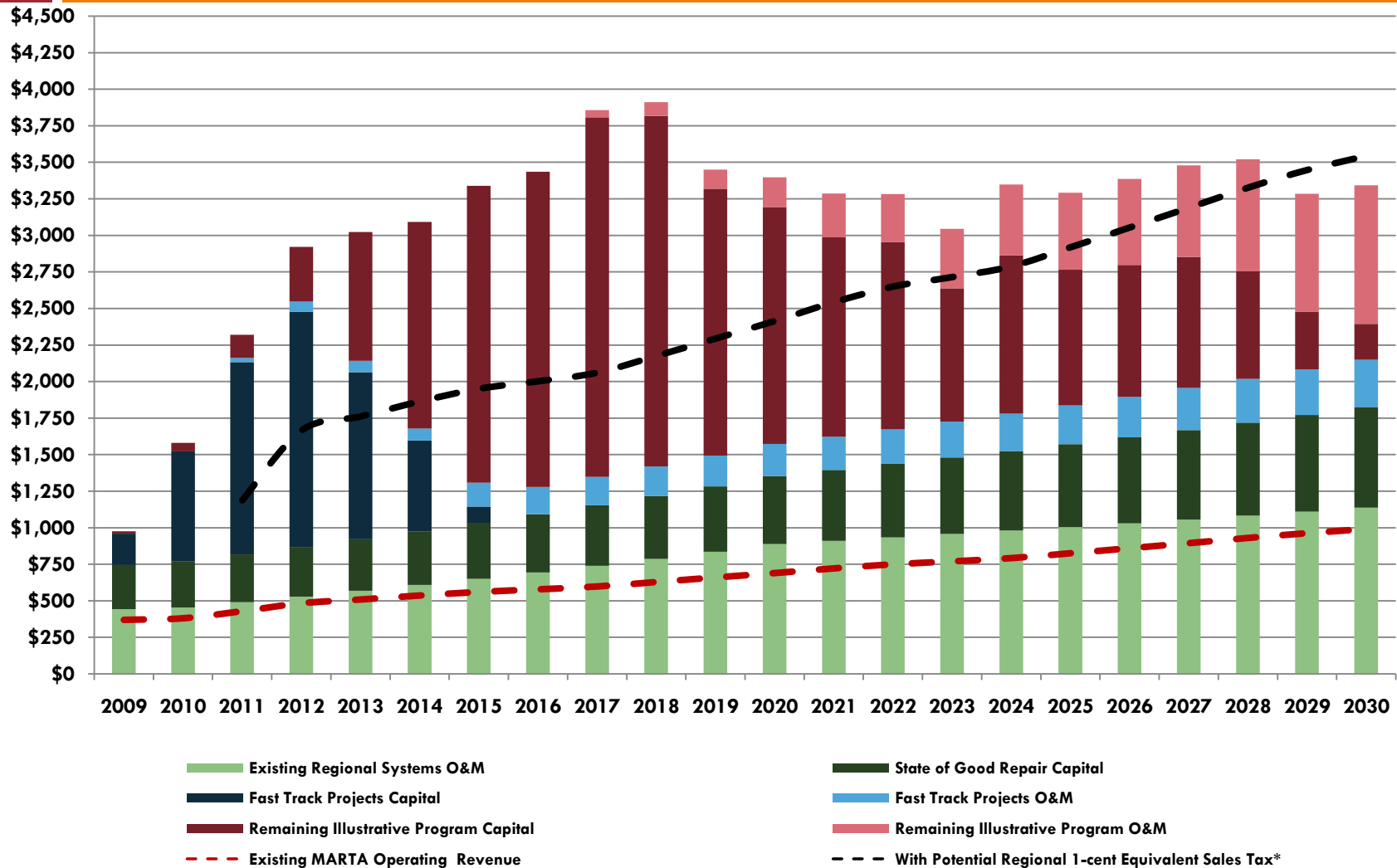
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Combined Existing Transit Systems & Illustrative Program

Estimated Annual Costs

(YOE Dollars, in millions)

Option 1



* Assumes revenue from Potential Regional 1-cent Equivalent Sales Tax is split 50% for capital costs and 50% for operating costs